



THE COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF CAMPAIGN & POLITICAL FINANCE

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MEMORANDUM

TO: Interested Persons  
FROM: Michael J. Sullivan, Director *mjs*  
SUBJECT: Use of Candidate's Personal Funds for Campaign

This memorandum reviews many of the questions that candidates ask about making contributions and expenditures to their campaigns from their own personal funds. Candidates who are not participants in the Clean Elections program may contribute their own personal funds to their campaign or use them for campaign purposes in any amount. Participants in the Clean Elections program may contribute or loan no more than \$100 during an election cycle to their campaign. See M.G.L. c. 55A, s. 1.

In addition, certain candidates, even if they do not participate in the Clean Elections program, are limited in how much they may loan to their campaign. Of course, like any contribution, candidate contributions must be kept in a separate campaign account and may not be commingled with personal or business accounts. Such contributions must also be disclosed in accordance with the campaign finance law, M.G.L. c. 55.

**I. Contributions** - Candidates may contribute their own personal funds to their campaign.

**1. Do I have to disclose contributions of my own funds?** Yes. All such contributions must be disclosed. Legislative and most municipal candidates disclose this information on Form CPF 102 - Schedule A: Receipts. Depository candidates<sup>1</sup> disclose this information when depositing their contributions on Form CPF D106: Report of Receipts.

**2. If I am not a participant in the Clean Elections program, is there a limit to how much I can contribute to my campaign?** No. You may contribute to your campaign without limitation. In contrast, individual contributions from others, including contributions from your spouse or other family members, are limited to \$500 per calendar year. Contributions from lobbyists, however, are limited to \$200 in a calendar year.

**II. Loans** - A candidate may make a contribution in the form of a loan to his or her campaign. If a candidate loans funds to the campaign, the campaign may subsequently repay the candidate. The amount of a candidate loan, however, is restricted for some candidates. It is important for candidates and

<sup>1</sup> Depository candidates include candidates for statewide office, Governor's Council, county offices and citywide offices other than school committee in cities with a population of 100,000 or more (currently Boston, Cambridge, Lowell, Springfield, and Worcester).



treasurers to remember that a loan is a contribution. Loans from a candidate's spouse, other family member or anyone else, therefore, are subject to the limitations noted above for individual contributions (i.e. \$500 per year, if the candidate is not a participant in the Clean Elections program).

**1. Do I have to report loans I make to my campaign, and if so how?** Yes. A loan is reported as a contribution on Schedule A of Form CPF 102 or on Form CPF D106 for depository candidates. The report should note clearly on Schedule A or on Form CPF D106 that the contribution was made as a loan to the campaign. In addition, the loan should be reported as a liability of the campaign on Schedule D of Form CPF 102 or on Form CPF D102, which is filed each year on January 20, for depository candidates. See Example 1 for a legislative or non-depository municipal candidate report of a loan.

**Example 1: Form CPF 102 ND - Pre-primary Report**

**Schedule A: Receipts**

<b>Date Received</b>	<b>Name and Residential Address (alphabetical listing required)</b>	<b>Amount</b>	<b>Occupation &amp; Employer (for contributions of \$200 or more)</b>
9/4/98	<b>Candice Candidate</b> (loan to committee) <b>101 Memory Lane</b> <b>Anytown, MA 01234</b>	<b>\$2,500</b>	<b>Computer Programmer</b> <b>ISR Company</b>

**Schedule D: Liabilities**

<b>Date Incurred</b>	<b>To Whom Due</b>	<b>Address</b>	<b>Purpose</b>	<b>Amount</b>
9/4/98	<b>Candice Candidate</b>	<b>101 Memory Lane</b> <b>Anytown, MA 01234</b>	<b>Loan to Committee</b>	<b>\$2,500</b>

**2. I am not a participant in the Clean Elections program. Is there any limit to the amount which I may loan my campaign?** Yes, for some offices. The amount a candidate may loan his or her campaign per election<sup>2</sup> is limited for certain candidates as follows:

Governor	\$200,000	Lieutenant Governor	\$200,000
Secretary of State	\$150,000	Treasurer	\$150,000
Auditor	\$150,000	Attorney General	\$150,000
State Senator	\$50,000	State Representative	\$30,000

<sup>2</sup> The phrase "per election" includes each regular or special primary or general election. For example, a candidate for state senate may loan his or her committee \$50,000 between the previous November election and the following September primary and another \$50,000 between the September primary and the following November election for a total of \$100,000.

All other candidates who are not Clean Election participants, including candidates running for county or municipal office, may make loans to their campaigns without limitation. Since loans are treated as contributions, however, loans from other individuals, including a candidate's spouse or other family members, are limited to \$500 per calendar year (\$200 for lobbyists).

**3. What if I decide to dissolve my committee and the committee has never repaid the loan to me?** If you do not have funds remaining in your campaign account, or if you use remaining funds for other campaign purposes, you may "forgive" the loan obligation in writing. The letter or note forgiving your loan should be attached to your campaign's dissolution report.

**III. Expenditures** - A candidate may use personal funds to make campaign expenditures.

**1. If I am paying for campaign expenses, do I need to organize a political committee?** No. If you are employed for compensation by the commonwealth or any of its subdivisions, however, you would need a committee to solicit and receive such contributions on your behalf. See M.G.L. c. 55, § 13.

**2. Do I have to report expenditures of my own funds, and if so, how?** Even if you make expenditures only from your own personal funds without raising any money from other persons, you must still file campaign finance reports. These transactions are reported as contributions from you on Schedule A or on Form CPF D106 for depository candidates. The expenses made are also reported as expenditures on Schedule B of Form CPF 102 to the person or business providing the goods or services to the campaign. See Example 2 for a legislative or non-depository municipal candidate report reflecting a candidate's contribution and expenditures. For depository candidates, expenditures are disclosed by the candidate's bank on Form CPF D106.<sup>3</sup>

**Example 2: Form CPF 102 ND - Pre-election Report**

**Schedule A: Receipts**

<b>Date Received</b>	<b>Name and Residential Address (alphabetical listing required)</b>	<b>Amount</b>	<b>Occupation &amp; Employer (for contributions of \$200 or more)</b>
9/4/98	Candice Candidate (loan to committee) 101 Memory Lane Anytown, MA 01234	\$2,500	Computer Programmer ISR Company

<sup>3</sup>Depository candidates **must** open a bank account and deposit all funds into and make all expenditures greater than \$50 on checks drawn on that account. This requirement exist even if they do not organize a political committee on their behalf. See M.G.L. c. 55, s. 19.

**Schedule B: Expenditures**

<b>Date Paid</b>	<b>To Whom Paid</b>	<b>Address</b>	<b>Purpose of Expenditure</b>	<b>Amount</b>
<b>10/5/98</b>	<b>Best Eats</b>	<b>44 Mall Road Anytown, MA 01234</b>	<b>Election Night Party</b>	<b>\$500</b>
<b>10/2/98</b>	<b>Good Newspaper</b>	<b>10 Print Avenue Anytown, MA 01234</b>	<b>Campaign Ads</b>	<b>\$500</b>
<b>9/5/98</b>	<b>Great Signs, Inc.</b>	<b>2 Billboard Way Anytown, MA 01234</b>	<b>Campaign Signs</b>	<b>\$1,500</b>

For further information and guidance regarding this memorandum, please contact OCPF.